

Daily Thai News Summary: 29 October 2015

1. Ministry sees state-driven GDP recovery

Source: **Bangkok Post** ([Link](#))

Thailand's economy next year is expected to grow by 3.8% on the strength of 3.7 trillion in public spending coupled with the positive trend of tourism revenue, says the Finance Ministry's senior economist. Kulaya Tantitemit, Executive Director of the Ministry's macroeconomic bureau, said public spending under the fiscal 2016 budget that began Oct 1, which includes budget expenditure for state enterprises and local administrations, will be higher than fiscal 2015's 3.4 trillion baht in line with rising expenses at government agencies.

2. China unfazed by ICAO red-flagging Thai airlines

Source: **Bangkok Post** ([Link](#))

Beijing has granted rights to several Thai-registered carriers to operate new routes to Greater China even after the International Civil Aviation Organization (ICAO) red-flagged Thailand's aviation safety shortcomings in June and subsequent safety flaws were discovered by the US Federal Aviation Administration (FAA).

China is not too concerned about what global aviation regulatory bodies have had to say about Thailand but has been using its own inspection standards to decide on the issue, say industry executives involved in the matter. The thumbs-down from both the ICAO and the FAA were for the Department of Civil Aviation's safety standards rather than the airlines themselves. Senior executives of AirAsia, Thai AirAsia, Nok Air, NokScoot and Thai Lion Air -- the beneficiaries -- concur that China's pragmatic approach to the issue underlines its understanding in the aftermath of the ICAO's red flag.

3. Thailand well placed for short-term capital inflows

Source: **The Nation** ([Link](#))

Some of the expected additional capital injected by various central banks will find its way to emerging markets (EMs) in the short term, and Thailand is looking better than most Southeast Asian countries in this regard, said the president of the Stock Exchange of Thailand, Kesara Manchusree. Meanwhile, most markets now expect the US Federal Reserve to raise interest rates next year because the US economy has recovered somewhat, though some of its economic numbers are still missing their targets, she said. *"Investors in the United States and Dubai have voiced the same [opinion] that among the EMs in the region, Thailand is currently in a good position,"* she told reporters at the "Thailand CG Forum" that was jointly hosted by the SET, SEC and IOD yesterday. She recently went on a roadshow to the US and the United Arab Emirates.

Kesara explained that it was necessary to look at the performance of emerging markets under the "new normal" - a period of global low interest rates and commodity prices. EMs that mostly export commodities will be affected the most, and even though Thailand's exports are mostly commodities (agricultural products), a large part of the country's imports are also commodities, such as oil. She noted that while Thailand's exports in terms of US dollars had contracted by around 5 per cent by September year on year, they actually expanded by 5 per cent in baht terms.

4. Somkid to lead trade delegation of 50 firms to Iran in December

Source: **The Nation** ([Link](#))

Deputy Prime Minister Somkid Jatusripitak will lead a delegation including 50 Thai companies to Iran in December with the aim of promoting trade and investment between the two countries after the cancellation of international sanctions on Iran.

Deputy Commerce Minister Suvit Maesincee, who will also join the mission, said it was originally targeted at promoting exports and to seek investment opportunities in Iran. Currently Thailand does not export much to that country, but great opportunities are waiting. *"With strong demand for many products and many investment projects, Thailand will use the opportunity to strengthen bilateral ties in promoting business-to-business, government-to-government and government-to-private cooperation,"* Suvit said. Many European enterprises have already resumed trading and investing in Iran, so Thailand should get into this market quickly, he said.

It is not only rice exports that can benefit from G2G deals, but Thai construction firms also have high potential to join Iran's government projects. Suvit said the Commerce Ministry was looking for about 50 Thai companies interested in trading or investing in Iran to join the

delegation, as it expected some B2B contracts could be signed during the mission, including on the formation of joint ventures.

5. ICT Minister hopeful country will be ASEAN digital hub within three years

Source: **The Nation** ([Link](#))

Thailand should become a regional digital hub within three years, says Information and Communications Technology Minister Uttama Savayana. The government has promoted the "digital economy" policy, which will see state ICT agencies launching flagship projects over the next three months. It wants the use of technology to increase productivity for all Thai industries and enhance government services to private companies. He made these points at a seminar on the economy, including digital aspects, hosted by the Stock Exchange of Thailand yesterday. He added that the government would support Thai companies and push Thailand to be the digital hub of Asean to attract content providers, Google and Facebook to set up servers here. He said state ICT agencies would focus on investing in infrastructure including undersea cables and share them with private companies.

Teerarat Pantarasutra, managing director of Symphony Communication, said the company would support the government's digital-economy plan with its nationwide optical-fiber network. The government should support the creation of more new international Internet gateways to serve rising demand for data communications. He said he expected that by the end of next year, there could be 98 million subscribers to fourth-generation technology, since some people have more than one SIM card. The next seven to 10 years will be a golden era for ICT thanks to 4G and broadband since Thais more and more consume broadband data communication.

By Harsha Hazarika